

The Panacea Charitable Trust

REPORT AND FINANCIAL STATEMENTS

31 December 2015

The Panacea Charitable Trust

31 December 2015

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The Panacea Charitable Trust

TRUSTEES, OFFICERS AND ADVISERS

TRUSTEES

Mr G Allan
Rev. Professor Christopher Rowland
Dr Justin James Meggitt
Mr C N Monsell
Mr E Jones (appointed 4 December 2015)
Dr N Hilton (appointed 4 December 2015)

EXECUTIVE OFFICER

Mr D McLynn ACMA

PRINCIPAL OFFICE

14/16 Albany Road, Bedford, Bedfordshire, MK40 3PH

CHARITY NUMBER: 227530

AUDITOR

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), The Pinnacle, 170 Midsummer Boulevard,
Milton Keynes, Bucks, MK9 1BP

BANKERS

National Westminster Bank plc, 81 High Street, Bedford, Bedfordshire, MK40 1NE

SOLICITORS

Sloan Plumb Wood LLP, Apollo House, Isis Way, Minerva Business Park, Lynch Wood, Peterborough,
PE2 6QR

INVESTMENT MANAGERS

Rathbones Investment Management, 1 Temple Row, Birmingham, B2 5LG

PROPERTY MANAGERS

Thomas Charles Property Management, 160 Castle Road, Bedford, Bedfordshire, MK40 3SW

The Panacea Charitable Trust

TRUSTEES' REPORT

Report of the trustees for the year ended 31st December 2015

The trustees present their annual report and financial statements of the charity for the year ended 31st December 2015. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

Structure, Governance and Management

Background

The charity was originally linked with a religious community, the Panacea Society, which thrived in Bedford between the First and Second World Wars. From that period the Society witnessed a steady decline in the number of active members. In recognition of the demise of that community within the last decade, on the 10th February 2012 the charity changed its name from The Panacea Society to The Panacea Charitable Trust.

Over the years members of the Panacea Society donated money and property to the charity to further the life of the community and its religious aims. Today the charity's income is derived primarily from its property and other investments.

The principal aim of the charity is to support the study of the Christian religion with particular emphasis on the teachings of Joanna Southcott and other prophets of the Visitation. It achieves this aim by funding academic research and the sponsoring, publishing and distribution of publications. In addition to this work, in August 2012 the charity opened a Museum of the history of the Visitation in one of its functional properties. Alongside this work, the charity also supports recognised local organisations dealing with the relief of sickness within the Bedford area.

Constitution

The charity was established as a Charitable Trust by a declaration of trust dated 24th July 1926, which was registered with the Charity Commissioners of England & Wales on 7th September 1926. The registered number of the charity is 227530.

Working with the Charity Commission, in 2001 the trustees arranged for the modernisation of the objects under a cy-pres scheme. A further modernisation of the governance of the charity took place in 2007. A new governing document was approved by the trustees on 27 February 2007 and was sealed by the Charity Commission on 20 March 2007, replacing the 1926 trust deed and 2001 scheme. The Commission approved a further scheme in February 2012 to change the name of the charity, as noted above.

Recruitment and appointment of new trustees

The trustees feel that the most suitable candidates to be invited to become trustees are those who can demonstrate a clear empathy with the history and aims of the charity, have a recognised skill or competence, and can demonstrate a clear understanding of the role of a charity trustee.

New trustees are appointed by majority vote at a Special Meeting of the trustee body. Trustees serve a fixed term of 5 years, after which period they may put themselves forward for re-appointment. The Trust Deed provides for a minimum of 3 and a maximum of 8 trustees.

Induction and training of new trustees

New trustees are given a copy of the charity's Governing Document, the last three years Reports and Accounts, copies of previous trustee meeting minutes, and the Charity Commission publication "The Essential Trustee - What You Need To Know". They are also given access to a database comprising previous minutes, policies and financial information which they can consult. Any questions or clarifications are provided at regular trustee meetings or by email between meetings.

The Panacea Charitable Trust

TRUSTEES' REPORT

Organisational structure and decision making

The charity's trustees are responsible for overall direction and policy-making, meeting between three and six times per year. The trustees approve all investment decisions, grants, and sets the broad strategy and areas of activity for the charity. The Executive Officer has day-to-day responsibility for the management of the charity, including liaison with grantees, staff management, investment and financial administration, and all office functions. The Executive Officer reports to the trustees formally at trustee meetings, and informally through telephone and email as and when necessary.

To facilitate the management of the charity, two sub-committees each comprising trustees and the executive officer have been set up. The admin sub-committee has delegated responsibility for making certain decisions on behalf of the trustees that relate to the administration of the Charity, and where relevant implements specific policies and strategic decisions of the trustees. The Museum & Archives sub-committee is an advisory committee with a remit to consider and make recommendations to the trustees on any issue relating to the charity's museum, archives and artefacts.

The Trust benefits from the involvement and enthusiastic support of a number of volunteers. In accordance with the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in these accounts.

Major Risks

The trustees have considered the major strategic, business and operational risks which the charity faces, and consider that it has minimal exposure to them. Accounting systems and controls are in place managed by the Executive Officer. A formal risk assessment has been developed.

Where necessary the trustees maintain suitable insurance to cover all perceived risks to minimise any potential loss to the charity. Property investments are insured for rebuilding costs. Other tangible assets are also insured.

Public Benefit

We have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Objectives and Activities

Objects

The objects of the charity are:

To advance the Christian religion (and in doing so the trustees may have regard to the teachings of Joanna Southcott and her successors);

In furtherance of Christian principles to relieve both poverty and sickness and to advance education both generally and in the production, publication and dissemination of religious works.

The Trustees have resolved that, under the above objects, the charity will support:

1. Educating and disseminating information to the public about the Christian religion particularly the history, beliefs and practices of the Panacea Society its antecedents and similar Christian religious groups which is achieved by:
 - 1.1 funding, supporting and co-ordinating academic research, seminars and conferences and their outputs,
 - 1.2 operating a museum on the site of the former community and maintaining in perpetuity the collection displayed in the museum,
 - 1.3 maintaining and making available the Charity's archive of books, manuscripts and papers,
 - 1.4 supporting any other activities which the Trustees consider will help the Charity to achieve this objective.

2. In furtherance of Christian principles making grants for the relief of poverty and sickness and to advance education generally, primarily in Bedford and the surrounding area.

The Panacea Charitable Trust

TRUSTEES' REPORT

Grants

The Charity began its grant making activities in 2001, and since that time has made a number of grants to both local and national organisations, basing its award criteria on the two areas of education, and poverty, sickness and social support.

Education grants have been made in three main ways:

- through supporting research projects at various UK universities
- by providing individual scholarship funding to doctoral scholars
- by sponsoring, or supporting, academic conferences

All educational grants are assessed and awarded directly by the Panacea Charitable Trust, taking expert advice as and where necessary.

Poverty, sickness and social related grants were designated to support Bedford and its surrounding local community across a broad range of initiatives and recipients, to provide a range of valuable work and support in the area. Grants were administered by the Bedfordshire and Luton Community Foundation on behalf of the Charity.

Main objectives for the year

Using the charity's own resources, the charity set the following as its main objectives for the year:

1. To continue to develop the museum and archives, in particular its museum, to as wide an audience as possible and as the focal point of the charity.
2. To continue to support relevant academic research into clearly defined aspects of the Christian religion (Apocalyptic, Millenarianism, and Prophecy).
3. To continue to help those affected by poverty and or sickness in the Bedford area.
4. To continue to enhance the awareness of the work of the charity within the local community.

Strategies for achieving objectives

The strategies adopted during the year for achieving the charity's objectives were as follows:

1. The ongoing development and marketing of the charity's museum (the Panacea Museum) to the public, including extending opening hours.
2. Develop a wider network of academics, institutions, and interest groups that will generate awareness of the charity's research funding initiatives.
3. Maintain relationships with key local grant-funding organisations in order to more effectively administer and distribute a part of the charity's annual charitable expenditure budget
4. Making use of digital imaging and database software to develop the charity's unique collection of archival material for public use.
5. Maintain and enhance the charity's website www.panaceatrust.org as the primary communication tool to third parties, thereby explaining both the background and present work of the charity.

Significant activities

The trustees have approved a set of criteria which they consider meets their objectives, the full details of which can be found on the charity's website www.panaceatrust.org.

Applying these criteria during the year the trustees approved the following direct charitable expenditure:

1. Under aim 1 above, £223,127 for the museum and archives. and centre of excellence project. Expenditure included additional development to the charity's museum complex (museum, founders house, chapel and gardens) and staffing provision to enable the Panacea Museum to increase open days. Also included are the costs of developing the charity's unique archive and library collection of books, manuscript writings, correspondence files, and other historic documents relating to the history and work of the Panacea Society for current and future study and research purposes.

The Panacea Charitable Trust

TRUSTEES' REPORT

2. Under aim 1. above, £35,896 for the development of a Centre for the Critical Study of Apocalyptic and Millenarian Movements (SAMM). This will act as a resource for academics, the general public, religious constituencies and mainline churches. Activities will include conferences, online educational resources and a peer mentoring programme.
3. Under aim 1 above. £15,475 to fund the writing of a Joanna Southcott related publication in partnership with the Blockley Heritage Trust.
4. Under aim 1 above. £4,500 to fund a conference on Millenarianism in partnership with Queen's University Belfast.
5. Under aim 1 above. £10,000 to IB Tauris Ltd, to support the publication of a book of essays on the study of Prophecy, the Apocalypse, and Millenarianism.
6. Under aim 2 above, £50,000 to Bedfordshire & Luton Community Foundation. To provide a fund that will be directed towards supporting organisations and groups whose work covers health and social work within the local community.

Achievements and performance

Review of charitable activities

The charity focused on its two main strands of charitable activity:

- the development of the functional buildings that have formed the historic and cultural core of the former Panacea Society for over 80 years as a learning and visitor resource. The Panacea museum, first opened in late 2012, forms the major element of this work. In 2015 the charity had over 3,000 visitors to its museum complex of two main buildings, outbuildings, and gardens, an increase of over 1,000 (50%) compared to the previous year. The museum was awarded Arts Council of England Museum Accreditation in August 2014 following an audit process which commenced in September 2013.
- grant making activities which commenced in 2001 and now form a significant element of the charity's work. The charity supports a broad range of charities working in the borough of Bedford and the immediate surrounding area. It does this through its partnership with the Bedford and Luton Community Foundation (BLCF). BLCF administers the charity's annual non-academic grant-making programme. In 2015 BLCF awarded grants to the following fifteen local organisations to help them with their work. Bedford Open Door group, Fun 4 Young People, Goldington Green Academy Parents Association, Tibbs Dementia Foundation, Friends of Chums, Bedfordshire Pilgrims Housing Association (BPHA), Reactive8, Beds Garden Carers, Bedfordshire Refugee & Asylum Seeker Support, Bedford Guild House, ACCM, Headway UK, Road Victims Trust, Amicus Trust and CRSP.

Investment Performance

The effective management of investments is an important aspect of the ongoing work of the trustees and staff, as they are the only source of income available to the charity. Investments are held in UK residential and commercial property ("investment properties") and equities, bonds and cash ("financial investments"). The trustees periodically monitor both classes of investment in terms of weightings and performance.

The charity's investment portfolio mirrored the broader market trends during the year. Investment properties, accounting for approximately a third of the charity's investments by value, improved their 2014 capital values by 5%. Annual rental income derived from these properties improved 8% over 2014, reflecting the strong appeal of the charity's rental property portfolio and minimal void periods and tenant changes. Individual rentals achieved reflect current market levels, as advised by the charity's managing agents. The trustees remain satisfied with the work of the charity's property managers in managing the charity's property assets.

The charity's financial investments reflected the performance of the market as a whole, showing 0.4% capital loss in the year. Overall income derived from those investments, £393,485, was deemed satisfactory and in line with targets the charity set for its investment managers in January 2015. This represents an increase in investment income of 86% (2014: £211,424). The trustees remain satisfied with the work of the charity's investment managers in managing the charity's investment assets, and has communicated an expectation of similar levels of investment income for the 2016 financial year.

The Panacea Charitable Trust

TRUSTEES' REPORT

Financial Review

Income and Expenditure

Total income for the year was £631,275 (2014: £429,165), and total expenditure was £732,944 (2014: £619,486), leaving net expenditure of £101,669 (2014: £190,321). The net increase in funds after revaluation of investments was £414,116 (2014: £2,038,930).

Reserves Policy

The trustees continue to keep the charity's reserves policy under review, and aim to distribute up to 100% of net income after all expenses and investment allocations for the current year and thereafter. All reserves held as at 1 January 2001 were transferred to a Foundation Fund to be utilised at the discretion of the trustees for future projects or charitable payments and to cover any unexpected expenditure. The trustees have reserved the right to recoup amounts that have been transferred to the Foundation Fund to cover excess distributions from the General Fund.

The charity is reliant on income from its portfolio of investments, principally managed funds and investment properties, to support its work. It has funds to call upon if expenditure exceeds income in any particular year.

The movement on the charity's General Fund in the year was an overspend of £101,669, giving a year-end balance of £176,434 in deficit (2014: deficit £74,765). The trustees budgeted for this overspend, recognising it as an aspect of the current strategy of the charity in expanding current projects and developing a new one.

Investment Policy

With the first full year of Rathbones' appointment as the charity's investment managers now completed, the financial investment objective is to generate a total return of inflation plus 3% per annum, after expenses, over the long term. This should allow the Charity to at least maintain the real value of the assets, whilst funding annual charitable expenditure in the region of 3% per annum, which meets Trustee requirements to generate both income and long-term capital growth.

In addition, a portfolio of property is held yielding rental income and long-term capital growth. The trustees consider that the use of both portfolios enables the charity to realise its policy and spread the risks associated with the investment market.

Plans for Future Periods

The Charity plans to review its aims and how it applies its objects. Building on the work it has previously undertaken the Charity plans to further develop how it will support research into and disseminating information to the Public about specific aspects of the Christian Religion. The Charity plans to continue applying part of its funds to the relief of poverty and sickness in the Bedford area through the work of recognised local health and social care related organisations

Key Management Personnel Remuneration

The trustees consider the board of trustees and the senior staff as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 8 to the accounts. Trustees are required to disclose all relevant interests and register them with the Executive Officer and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises.

The remuneration of all staff is reviewed annually by the trustees, taking into account comparable both sector and professional comparatives. As part of the review process reference is also made to the government's annual inflation measures.

The Panacea Charitable Trust

TRUSTEES' REPORT

Auditor

The trustees in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps they ought to take as trustees in order to make themselves aware of any relevant audit information and establish that it has been communicated to the auditor.

RSM UK Audit LLP was reappointed as the charity's auditor in the year, and has indicated its willingness to continue in office.

On behalf of the trustees

Gordon Allan Trustee 3 June 2016

The Panacea Charitable Trust

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity, and the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE PANACEA CHARITABLE TRUST

We have audited the financial statements of The Panacea Charitable Trust for the year ended 31 December 2015 on pages 10 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 8 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2015 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Emphasis of Matters – early adoption of the Charities SORP (FRS 102)

In forming our opinion, which is not modified, we have considered the disclosure in the accounting policies concerning the charity's early adoption of the Charities SORP (FRS 102) issued in July 2014, rather than applying the Charities SORP 2005 SORP which has been withdrawn but is still referred to in the extant Charities (Accounts and Reports) Regulations 2008. This departure has been necessary for the financial statements to show a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice effective for accounting periods beginning on or after 1 January 2015.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is not consistent with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RSM UK AUDIT LLP (formerly BAKER TILLY UK AUDIT LLP)
Statutory Auditor
Chartered Accountants
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
Bucks
MK9 1BP

The Panacea Charitable Trust
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2015

	Notes	Unrestricted General Fund 2015 £	Unrestricted Foundation Fund 2015 £	Total Funds 2015 £	Total Funds 2014 £
Income					
Other trading activities:					
Investment income	1	629,288	-	629,288	428,415
Other income		1,987	-	1,987	750
Total income		<u>631,275</u>	<u>-</u>	<u>631,275</u>	<u>429,165</u>
Expenditure					
Expenditure on raising funds:					
Investment management costs	3	249,300	-	249,300	215,153
Expenditure on Charitable activities	4,5,6	483,644	-	483,644	404,333
Loss on sale of Fixed Assets		-	7,960	7,960	-
Total expenditure		<u>732,944</u>	<u>7,960</u>	<u>740,904</u>	<u>619,486</u>
Gain/(Loss) on revaluation of investments	12	-	414,764	414,764	1,694,251
Net (expenditure) / income before transfers		<u>(101,669)</u>	<u>406,804</u>	<u>305,135</u>	<u>1,503,930</u>
Other recognised gains and losses:					
Gain/(Loss) on revaluation of Fixed Assets	11	-	184,000	184,000	535,000
Fixed Asset impairment costs		-	(75,018)	(75,018)	-
Net movement in funds		<u>(101,669)</u>	<u>515,786</u>	<u>414,117</u>	<u>2,038,930</u>
Balance at 1 January 2015		(74,765)	28,852,768	28,778,003	26,739,073
Balance at 31 December 2015	17,18	<u>(176,434)</u>	<u>29,368,554</u>	<u>29,192,120</u>	<u>28,778,003</u>

All of the activities of the charity are classed as continuing.

The Panacea Charitable Trust

BALANCE SHEET

31 December 2015

Charity Number 227530

	<i>Notes</i>	2015 £	2014 £
FIXED ASSETS			
Tangible fixed assets	11	3,971,812	3,899,858
Investments	12	25,308,507	24,953,808
		<u>29,280,319</u>	<u>28,853,666</u>
CURRENT ASSETS			
Debtors	13	17,790	49,892
Cash at bank and in hand		69,210	106,508
		<u>87,000</u>	<u>156,400</u>
CREDITORS: Amounts falling due within one year	14	175,199	232,063
NET CURRENT (LIABILITIES)/ASSETS		<u>(88,199)</u>	<u>(75,663)</u>
NET ASSETS		<u>29,192,120</u>	<u>28,778,003</u>
FUNDS			
Unrestricted funds – general fund	17	(176,434)	(74,765)
Unrestricted funds – foundation fund	18	29,368,554	28,852,768
		<u>29,192,120</u>	<u>28,778,003</u>

The notes on pages 12 to 24 form part of these financial statements.

The financial statements were approved by the trustees and authorised for issue on 3 June 2016 and signed on their behalf by:

..... Gordon Allan, Trustee

..... Charles Nicholas Monsell, Trustee

The Panacea Charitable Trust

STATEMENT OF CASH FLOWS

For the year ending 31 December 2015

	<i>Notes</i>	2015 £	2014 £
Net Cash used in operating activities	20	<u>(657,208)</u>	<u>(486,081)</u>
Cash Flows from Investing Activities			
Interest and Dividends		410,294	211,424
Rental Income		221,463	216,992
Proceeds on disposal of tangible Fixed Assets		4,380	-
Purchase of Tangible Fixed Assets		(16,227)	-
Purchase of Investment Properties		-	(149,649)
Net cash from investing activities		<u>619,910</u>	<u>278,767</u>
Change in cash and cash equivalents in the year		<u>(37,298)</u>	<u>(207,314)</u>
Cash and cash equivalents brought forward		<u>106,508</u>	<u>313,822</u>
Cash and cash equivalents carried forward		<u><u>69,210</u></u>	<u><u>106,508</u></u>

The Panacea Charitable Trust

ACCOUNTING POLICIES

For the year ending 31 December 2015

BASIS OF ACCOUNTING

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and the UK Generally Accepted Accounting Practice as it applies from 1st January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

RECONCILIATION WITH PREVIOUS GENERALLY ACCEPTED ACCOUNTING PRACTICE

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required. The transition date was 1 January 2014.

Reported net income before transfers as previously stated	631,275
Adjustment for gains on investments now treated as a component of net income	414,764
2014 net income as restated	<u>1,046,039</u>

There are no material uncertainties in respect of going concern

INCOME RECOGNITION

Interest on Government Securities and dividends on UK quoted equities, interest on bank deposits, and rental income is accounted for on an accruals basis.

Other income such as donations and legacies is recognised in the Statement of Financial Activities once the Charity has entitlement to the resources, it is probable that the resources will be received and the monetary value of income can be measured with sufficient reliability.

EXPENDITURE RECOGNITION

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure. Expenditure is included on an accruals basis. Key management personnel remuneration costs together with all support costs and governance costs have been apportioned between expenditure on raising funds and charitable expenditure on a time apportionment basis.

EXPENDITURE ON RAISING FUNDS

Expenditure on raising funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

GRANTS PAYABLE

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attached are fulfilled.

The Panacea Charitable Trust

ACCOUNTING POLICIES

For the year ending 31 December 2015

ALLOCATION OF SUPPORT AND GOVERNANCE COSTS

Governance costs are associated with the governance arrangements of the charity, in particular the activities of the trustees. These costs include audit, legal advice for trustees and costs associated with meeting constitutional and statutory requirements such as the cost of trustee meetings and the preparation of statutory accounts. This category also includes costs associated with the strategic as opposed to the day to day management of the charity's activities. Governance and support costs have been apportioned on a time apportioned basis.

TANGIBLE FIXED ASSETS

Tangible fixed assets comprise functional freehold properties used as the charity's offices and in furtherance of its aims, certain furniture and chattels, and office equipment.

All functional properties are held at valuation, and maintained with a view to ensuring that total residual values are not less than values at which they are recorded in the accounts of the charity and consequently have not been depreciated.

Furniture and chattels are held at valuation, and are reviewed annually to consider any material changes likely to affect the balance sheet valuation. Such assets are not subject to depreciation.

Museum assets, office equipment, and motor vehicles purchased in direct furtherance of charitable activities are capitalised if the purchase value exceeds £5,000. Depreciation is charged at 25% on a straight-line basis on these capitalised assets.

HERITAGE ASSETS

In addition to the fixed assets noted above, the charity possesses a highly significant and unique collection of manuscripts and documents, artefacts and items of religious significance, along with Joanna Southcott's box. These items have been collected over many years since the inception of the charity. The collection is held by the charity in pursuit of preservation or conservation objectives and accordingly the Trustees consider them to be heritage assets, as defined by the SORP FRS 102. It is the Trustees' policy that any costs of conservation are not capitalised, but expensed as incurred. The Trustees are currently taking advice on preservation techniques.

Acquisitions are made by purchase or donation. Assets which have been purchased and can be readily ascribed a value have been capitalised in the financial statements at cost. No value has been ascribed to the collection for assets which have been gifted in the past in these financial statements as there is no reliable cost information available or indeed suitable valuation techniques that are reliable. Therefore, due to the religious and unique nature of these items, it is not considered appropriate to recognise a value relating to the collection. The collection is catalogued and managed by the Trustees.

It is the Trustees' policy to add to this unique collection whenever the opportunity arises.

FIXED ASSET INVESTMENTS

Fixed asset investments comprise those freehold properties which are currently let, certain furniture and chattels, listed investments and cash on deposit. Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

PENSIONS

The Trust operates a Group Personal Pension Plan with Scottish Life that is open to all members of staff. The pension costs charged to the SOFA represent the contributions payable by the Trust during the year.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements. required

The Panacea Charitable Trust

ACCOUNTING POLICIES

For the year ending 31 December 2015

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

Trade debtors which are receivable within one year are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are those used by the Trust to in calculating the value of both functional and investment properties (see notes 11 and 12 for details).

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2015

1	INVESTMENT INCOME	2015 £	2014 £
	Dividends	393,485	211,424
	Interest on cash deposits	-	-
	Rental income	235,803	216,991
		<u>629,288</u>	<u>428,415</u>

In 2014 all investment income was credited to the General Fund.

2	ALLOCATION OF INDIRECT COSTS & OVERHEADS	Total £	Cost of Generating Funds £	Charitable Activities £
	2015			
	Staff	158,514	79,257	79,257
	Property	72,358	72,358	-
	Office/Other	34,781	17,730	17,051
		<u>265,653</u>	<u>169,345</u>	<u>96,308</u>
	2014			
	Staff	135,812	67,741	68,071
	Property	56,465	56,465	-
	Office/Other	6,373	4,664	1,709
		<u>198,650</u>	<u>128,870</u>	<u>69,780</u>

3	INVESTMENT MANAGEMENT COSTS	2015 £	2014 £
	Fund management fees	79,955	71,343
	Investment properties management fees	17,142	15,483
	Investment properties maintenance and refurbishment	43,573	29,620
	Wages and salaries	79,257	68,071
	Insurance	10,514	10,760
	Miscellaneous/Other	18,859	19,876
		<u>249,300</u>	<u>215,153</u>

In 2014 Investment management costs were charged to the General Fund.

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2015

4	CHARITABLE ACTIVITIES	2015	2014
		£	£
	Museum & Archives		
	Museum Exhibition	160,947	132,130
	Archives and Conservation	8,713	21,473
	SAMM Project	35,896	-
	Wages and salaries	23,206	22,596
	Functional Properties - Maintenance and refurbishment	13,668	21,162
	Insurance	4,506	4,612
	Service/Other Costs	<u>12,087</u>	<u>12,765</u>
	Total exc. Grants and donations	259,023	214,738
	 Grants & Donations (note 6)		
	University Research Grant	50,032	(28,199)
	Other miscellaneous Scholarship/Educational Grants	24,513	6,000
	Book publishing support	26,975	-
	Health/Social Grants	<u>50,000</u>	<u>150,000</u>
	Total Grants & Donations	151,520	127,801
	 Support Costs (notes 2 & 5)		
	Wages & salaries	56,050	45,475
	Other	<u>17,051</u>	<u>16,319</u>
	Total Support Costs	73,101	61,794
		<u>483,644</u>	<u>404,333</u>

In 2014 all charitable activities costs were charged to the General Fund.

5	ANALYSIS OF CHARITABLE ACTIVITIES	2015	2015	2015	2014	2014	2014
		£	£	£	£	£	£
		Core Funding	Support Costs	Total	Core Funding	Support Costs	Total
	Museum, Archives & SAMM	259,023	58,481	317,504	214,738	49,435	264,173
	Other educational/publishing	101,520	10,965	112,485	(22,199)	6,180	(16,019)
	Health/Social Grants	50,000	3,655	53,655	150,000	6,179	156,179
		<u>410,543</u>	<u>73,101</u>	<u>483,644</u>	<u>342,539</u>	<u>61,794</u>	<u>404,333</u>

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2015

6	GRANTS PAYABLE	Paid in the year £	2015 Total £
	Grants committed at 1 January 2014 (net)		(202,501)
	Paid in the year:		
	OTHER EDUCATIONAL/PUBLISHING		
	Bristol University (Downing Research Project)	46,501	
	Bunyan Meeting Museum (Church Curator)	5,000	
	Cambridge University (Spiritual Healing Project)	1,000	
	Salisbury Cathedral – Leading Women Course	24,513	
	IB Tauris publishing support	1,500	
	LOCAL AWARDS		
	Bedford & Luton Community Foundation	150,000	
	Total paid in the year		228,514
	Future commitments payable:		
	Approved in the year ending 31 December 2014		130,007
			<u>156,020</u>
	The major recipients for future grants are:		
		2015 £	
	OTHER EDUCATIONAL/PUBLISHING		
	Bristol University (Downing Research Project)	50,032	
	M Niblett publishing agreement	15,475	
	Belfast University conference	4,500	
	IB Tauris publishing support	10,000	
	LOCAL AWARDS		
	Bedford & Luton Community Foundation	50,000	
		<u>130,007</u>	
7	ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL	2015 No.	2014 No.
	The average number of employees during the year was:		
	Maintenance and refurbishment	3	3
	Administration	2	1
	Museum, Archives & SAMM	8	2
		<u>13</u>	<u>6</u>

The trust considers its key management personnel comprise the trustees and the four (2014: 3) full-time employees in charge of directing and controlling the charity and running and operating the charity on a day to day basis. The total employment benefits including employer pension contributions of the key management personnel were £154,732 (2014: £120,857), and Employers National Insurance of £14,627 (2014: £11,464).

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2015

7 ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL (continued)

	2015	2014
The number of employees whose emoluments amounted to more than £60,000 in the year were:	No.	No.
£65,001 to £70,000*	1	-
£80,001 to £85,000	-	1
	<u> </u>	<u> </u>
Of which pension contributions amounted to £3,868 (2014: £4,631).		

8 RELATED PARTY TRANSACTIONS AND TRUSTEES' REMUNERATION

Two trustees were reimbursed during the year for travel expenses of £960 (2014: Four, £895).

None of the trustees received remuneration during the year (2014: nil).

9 AUDITORS' REMUNERATION

The auditor's remuneration constituted an audit fee of £12,300 (2014: £11,070).

10 VOLUNTEERS

The charity reimbursed volunteers travel and subsistence expenses of £4,759 (2014: £1,659).

11 TANGIBLE FIXED ASSETS

	Functional Properties £	Assets in the course of construction	Furniture, Chattels & Heritage Assets £	Office Equipment & Motor Vehicles £	Museum Assets £	Total £
Cost or valuation:						
1 January 2015	3,680,000	-	176,093	40,452	152,268	4,048,813
Transfer/Disposals	(945,000)	945,000	(12,340)	-	-	(12,340)
Additions	-	16,227	-	-	-	16,227
Revaluation	184,000	-	-	-	-	184,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 December 2015	2,919,000	961,227	163,753	40,452	152,268	4,236,700
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation:						
1 January 2015	-	-	-	34,752	114,203	148,955
Charged in the year	-	-	-	2,850	38,065	40,915
Impairment costs	-	-	75,018	-	-	75,018
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The Panacea Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

31 December 2015	-	-	75,018	37,602	152,268	264,888
	=====	=====	=====	=====	=====	=====
Net book value						
31 December 2015	2,919,000	961,227	88,735	2,850	-	3,971,812
	=====	=====	=====	=====	=====	=====
31 December 2014	3,680,000	-	176,093	5,700	38,065	3,899,858
	=====	=====	=====	=====	=====	=====

The functional properties were formally valued by Messrs Jones, Norris, Adams, Chartered Surveyors, in April 2013. This valuation has been reviewed by the Trustees at the balance sheet date, and based on published indices and knowledge of local market conditions, the Trustees have updated the valuation to reflect changes in these. The cost of these properties to the charity was £272,535.

The furniture and chattels are included at the valuation provided by Messrs W&H Peacock Auctioneers and Valuers in May 2013. This valuation has been reviewed by the Trustees at the balance sheet date, and in their opinion there has been a material change in their valuation and an impairment adjustment has been made.

Included within furniture, chattels & heritage assets are £13,717 of heritage assets purchased in 2008. There have been no other acquisitions, disposals, revaluations or impairments of heritage assets since that date.

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2015

12 INVESTMENTS

	Investment properties £	Listed Investments £	Total £
Valuation at 1 Jan 2015	8,330,000	16,623,808	24,953,808
Less: Management fee charges	-	(60,065)	(60,065)
Gain / (loss)	416,500	(1,736)	414,764
Valuation at 31 Dec 2015	<u>8,746,500</u>	<u>16,562,007</u>	<u>25,308,507</u>

The investment properties are included at market value. The properties were formally valued by Messrs Jones, Norris, Adams, Chartered Surveyors, in April 2013. This valuation has been reviewed by the Trustees at the balance sheet date, and based on published indices and knowledge of local market conditions, the Trustees have updated the valuation to reflect changes in these.

12(i) LISTED INVESTMENTS ANALYSIS

	2015 £	2014 £
UK Securities	6,926,802	8,650,950
Overseas Securities	9,363,310	7,612,319
Market Value of Investments	<u>16,290,112</u>	<u>16,263,269</u>
Cash held by Investment Manager	271,895	360,539
	<u>16,562,007</u>	<u>16,623,808</u>

The listed investments are made up as follows:

	2015 £	2014 £
Equities	14,334,095	13,713,774
Fixed Interest Securities	1,956,017	2,549,495
	<u>16,290,112</u>	<u>16,263,269</u>

13 DEBTORS

	2015 £	2014 £
Prepayments and accrued income	17,790	49,892
	<u>17,790</u>	<u>49,892</u>

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2015

14	CREDITORS: Amounts falling due within one year	2015	2014
		£	£
	Grants payable	130,007	202,501
	Accruals	38,580	24,699
	Other tax and social security	6,612	4,863
		<u>175,199</u>	<u>232,063</u>
		<u><u>175,199</u></u>	<u><u>232,063</u></u>

15 DEFERRED INCOME

Deferred income comprises investment property rentals received in advance

	2015	2014
	£	£
Balance as at 1 Jan 2015	-	-
Amount released to income earned from charitable activities	-	-
Amount deferred in year	4,725	-
	<u>4,725</u>	<u>-</u>
Balance as at 31 December 2015	<u><u>4,725</u></u>	<u><u>-</u></u>

16 ANALYSIS OF NET ASSETS

	General Fund	Foundation Fund	Total
	£	£	£
Tangible fixed assets	-	3,971,812	3,971,812
Investments	-	25,308,507	25,308,507
Net Current Assets	(176,434)	88,235	(88,199)
	<u>(176,434)</u>	<u>29,368,554</u>	<u>29,192,120</u>
	<u><u>(176,434)</u></u>	<u><u>29,368,554</u></u>	<u><u>29,192,120</u></u>

17 GENERAL FUND

	Balance 1 January 2015 £	Incoming £	Outgoing £	Balance 31 December 2015 £
General Fund	(74,765)	631,275	(732,944)	(176,434)
	<u>(74,765)</u>	<u>631,275</u>	<u>(732,944)</u>	<u>(176,434)</u>
	<u><u>(74,765)</u></u>	<u><u>631,275</u></u>	<u><u>(732,944)</u></u>	<u><u>(176,434)</u></u>

The trustees have agreed with the Charity Commission to distribute approximately 100% of net unrestricted income.

The Panacea Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

18 FOUNDATION FUND

	Balance 1 January 2015 £	Incoming £	Outgoing £	Gain on Investments & Fixed Assets £	Balance 31 December 2015 £
Foundation Fund	28,852,768	-	-	515,786	29,368,554

In accordance with recommendations by the Charity Commission, the trustees have established a Foundation Fund incorporating the unspent funds brought forward at 1 January 2001.

The Foundation Fund will be treated as an unrestricted fund. The trustees will be able to make grants from this fund in keeping with the charity's objects and shortfalls arising on the General Fund may be repaid from this fund. All gains and losses will be charged to the Foundation Fund. All legacies will be recognised in the Foundation Fund as they are given for the long term benefit and future use of the charity.

19 HERITAGE ASSETS

The charity's heritage assets relate to the history of the Visitation, in particular the life and work of the prophetess Joanna Southcott. There are three distinct parts to the collection: Joanna Southcott's box and other items of material culture, books and manuscripts, and the charity's archive record of the work of the Panacea Society since its inception.

Acquisitions are made by purchase or donation. Assets which have been purchased and can be readily ascribed a value have been capitalised in the financial statements at cost.

No value has been ascribed to the collection for assets which have been gifted in the past in these financial statements as there is no reliable cost information available or indeed suitable valuation techniques that are reliable. In the opinion of the Trustees, reliable information on cost or valuation is not available for the charity's collections. This is owing to the lack of information on purchase cost; the lack of comparable market values; the diverse nature of the objects; and the volume of items held. These collections are therefore not reported as assets in the balance sheet.

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2015

20 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net Movement in funds	414,116	2,038,930
Adjustments for:		
Depreciation	40,915	40,915
(Gain) on investment properties	(416,500)	(1,145,297)
(Gain)/loss on listed investments	61,801	(548,954)
Interest and dividends	(410,294)	(211,424)
Rental income	(221,463)	(216,992)
(Gain) on revaluation of property fixed assets	(184,000)	(535,000)
Impairment losses on tangible fixed assets	75,018	-
Loss on disposal of tangible fixed assets	7,960	-
Operating cash flows before movements in working capital	<u>(1,046,563)</u>	<u>(2,616,752)</u>
(Increase)/decrease in debtors	32,102	(25,958)
Increase/(decrease) in creditors	(56,864)	117,699
Other	1	-
Cash used in operating activities	<u><u>(657,208)</u></u>	<u><u>(486,081)</u></u>